

# SOCIAL SECURITY AND MEDICARE

An Ongoing Study of Public Values

And Attitudes

Fall 1996

Conducted by DYG, Inc.

In Collaboration with

Survey Design and Analysis Department

Research Division

AARP

For

The American Association of Retired Persons

## Study Background and Objectives

Since the Mid-1980's, AARP has commissioned a series of studies on attitude and values re Social Security, Medicare and Health Care.

Going well beyond AARP's public opinion tracking, these special studies focused on underlying attitudes and values.

The findings and insights reported on here are drawn from the 1995 Anniversary Research:

Key measures updated in 1996.

Comparisons to 1985 measures as well.

The goal of this analysis is to explore the question:

After 60 plus years experience with Social Security and 30 plus with Medicare - and given the current social climate - how does the public view Social Security and Medicare for today and for tomorrow?

The purpose of this research is not to test policy options; rather, it is an exploration of values and attitudes that will shape public reactions to policy options.

### Study Method

Survey

2000 interviews

500 interviews in each of four age groups

18-29 - Generation X

30-49 - Baby Boomers

50-64 - Mid-life Americans

65+ - Seniors

By telephone

30 minutes in length - 1985, 1995

Selected questions updated in 1996

Focus Groups

A series of focus groups diverse in age conducted in

Charlotte, North Carolina

Providence, Rhode Island

Phoenix, Arizona

Chicago, Illinois

Fort Lauderdale, Florida

Kansas City, Missouri

Between February and September 1995, January and June 1996

Among

21 - 29 year olds

30 - 49 year olds

50 - 64 year olds

65 and older

In median income range for region for each age group

DYG SCAN<sup>sm</sup>

A social trend tracking program conducted by DYG since 1987

### Overview

This in-depth tracking research and our current DYG social trends work suggest the following perspective on Social Security and Medicare for policy makers.

Overall, the public climate is clearly growing more complex and now requires a short term-long term framework and a recognition that, for the long term, values and attitudes may evolve very differently for Social Security and Medicare.

Considering the short term first:

There is no doubt that the American public - old and young - strongly values Social Security and Medicare as twin pillars of financial security for today's older Americans.

There are no signs of support for pulling back on either program for today's beneficiaries and a clear expectation that the programs will not be weakened.

Americans view Social Security and Medicare for today's older Americans as

Commitments that cannot be broken.

Vital to their financial security and that of their families.

Essential to their good health and longevity.

And consideration of curtailment would be viewed as "unfair".

Indeed, there is a sense that for today, Social Security and Medicare need strengthening and some "cleaning up" - especially fraud, waste and abuse in Medicare.

Very important for the short term policy environment, the 1995-1996 "Medicare Debate" served to strengthen commitment to Medicare.

### Attitudes Regarding Medicare

<u>Total</u>		<u>18 to 29</u>		<u>30 to 49</u>		<u>50 to 64</u>		<u>65 +</u>	
<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
%	%	%	%	%	%	%	%	%	%

#### Agree Completely/ Somewhat

Medicare funds would be sufficient if fraud, waste and abuse were eliminated.

87	87	85	88	88	88	88	88	89	89	84
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Turning to the long term:

There is strong evidence that the country is getting ready to reevaluate the roles of Social Security and Medicare for the next generation - the Baby Boomers.

In a sense, the mid-1990's are like the mid-1930's with an open public policy question about how to best provide financial support to aging Americans in the 21st century.

It is important to recognize that

The focus of the question for the long term is not on how to adapt, fix or alter the government programs called Social Security and Medicare.

Rather, the open question is a broader one about retirement

What will it be?

How will financial security, including health security, be achieved?

Where will Social Security and Medicare fit in, if at all?

It appears that as Americans work through the new questions about retirement, they will rely on differing attitude sets with regard to Social Security and Medicare, e.g.

At least at this point, there is the view that income funding might be better achieved (at least for some) through individual initiative while no viable private alternative to a government financed approach to health care is seen.

It also appears that the public will bring the following factors to the rethinking process.

Lack of confidence in Social Security's future financial viability and the belief that even today its support is inadequate.

A self-reliance thrust - the belief "I can do better on my own"; currently this is fueled by a very "hot" Wall Street, but the vagaries of the stock and bond markets will apply.

An underlying risk averseness that demands a "security blanket" even as we embrace self-reliance.

Issues of fairness, equity and commitment in re-evaluating the role of government in the future funding of retirement.

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#### Attitudes Toward Social Security - Non Retired

	<u>1996</u>	<u>1995</u>
<u>Agree Completely/Somewhat</u>	%	%
I am very confident that I could do better on my own investing the money I pay into Social Security.	63	59

	<u>Total</u>	Retired	Non retired
	%	%	%
<u>Agree Completely/Somewhat</u>			
The government made a commitment a long time ago that can't be broken			
Social Security	80	81	80
Medicare	77	76	77

### Social Security Gender Gap

	<u>1996</u>	
	<u>Women</u>	<u>Men</u>
<u>Agree Completely/ Somewhat</u>	%	%
One of the <u>very</u> most important government programs.	59	46
Even though might do better on own, important to contribute for common good.*		76
	88	
Believe we should continue Social Security.*	91	76
<u>Agree</u>		
Confident could do better on my own.*	53	72

\*Non retired respondents only.

### Social Values Context

Adaptation to a more limited economic outlook.

Sober, uncertain view of the future but more confident "I can handle it", especially Baby Boomers.

More focus on the future.

Especially Baby Boomers.

Less confidence in institutions.

Especially government.

Toward self reliance.

At the same time, risk averseness.

Led by Generation X.

Baby Boomers lag.

Social values trends currently reveal Baby Boomers to be uniquely "high" on own survival skills, ability

to deal with the future.

Reinforced by Baby Boomers on-going traits of

Higher expectations.

Higher comfort requirements.

Penchant for "reinvention".

### **In conclusion:**

The public discussion is just beginning and has a long process to work through, a series of stages to travel through.

Using Daniel Yankelovich's model for public opinion development, the new "issue" of funding retirement for the Baby Boom is in stage #1 - consciousness raising - and must work through information gathering and trade-off evaluation before coming to public judgment about what the best course will be.

The implications for the public policy arena appear to be:

The need to shore up (not reinvent) Medicare for today's beneficiaries and protect Social Security short term.

The need for a debate about retirement in the future and how it will be funded.

Not about Social Security and Medicare, per se; but about the larger questions and then where Social Security and Medicare fit in.

To include the Baby Boom.

The need to include in the debate and discussion:

The role of Wall Street.

The need for a "security blanket".

Fairness and commitment.

Most important, the need to recognize that this is only the opening of the debate.

It is not a mandate for privatization or any action now.

Time must be allowed for public "working through."